

UNITED STATES DISTRICT COURT  
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA

v.

WILLIAM BARKSDALE

Criminal No. 11-  
18 U.S.C. § 1349

841

**INFORMATION**

The defendant having waived in open court prosecution by indictment, the United States Attorney for the District of New Jersey charges:

**The Defendant and His Co-Conspirators**

1. At all times relevant to this Information:
  - a. Defendant William Barksdale resided in Levittown, Pennsylvania, and owned Barksdale Business Group, Barksdale Investment Properties, and Barksdale Loan Consultants. Barksdale devised and executed the scheme to commit wire fraud described more fully herein, by obtaining, within a short period of time, several home equity lines of credit on the same property from multiple banks by means of false and fraudulent pretenses.
  - b. C.D., a co-conspirator who is not named as a defendant herein, resided in Willingboro, New Jersey. With Barksdale's assistance and encouragement, C.D. applied for and obtained five home equity lines of credit on a house owned by C.D.
  - c. S.D., a co-conspirator who is not named as a defendant herein, resided in Burlington, New Jersey. With Barksdale's assistance and encouragement, S.D.

applied for and obtained three home equity lines of credit on a house owned by S.D.

- d. A.M., a co-conspirator who is not named as a defendant herein, resided in Willingboro, New Jersey. With Barksdale's assistance and encouragement, A.M. applied for and obtained eight home equity lines of credit on a house owned by A.M.
- e. M.M., a co-conspirator who is not named as a defendant herein, resided in Pemberton, New Jersey. With Barksdale's assistance and encouragement, M.M. applied for and obtained seven home equity lines of credit on a house owned by M.M.
- f. S.O., a co-conspirator who is not named as a defendant herein, resided in Willingboro, New Jersey. With Barksdale's assistance and encouragement, S.O. applied for and obtained four home equity lines of credit on a house owned by S.O.

#### **Home Equity Lines of Credit Generally**

- 2. A home equity line of credit ("HELOC") was a revolving line of credit that banks offered to borrowers in which the equity in a borrower's house or condominium served as security or collateral for the loan. Equity is the difference between the fair market value of a property and any outstanding mortgage balance. Upon obtaining a HELOC, a borrower could borrow or "draw down" a certain amount of money which would be repaid within a specified time period and at a certain rate of interest.
- 3. Banks considered a variety of factors in determining whether to extend credit to

borrowers via a HELOC and, if so, the amount of credit they would offer. Among these factors was the value of the collateral a borrower could offer as security against the line of credit. Lenders typically set a borrower's credit limit at an amount less than the value of the security. In determining whether to extend credit to a borrower, banks also considered whether the property that the borrower offered as collateral was serving as security to any other lenders.

4. In obtaining a HELOC, a borrower entered into a security agreement that created a mortgage or lien on the borrower's home or condominium in the amount of the line of credit. The security agreement gave the lender the right to foreclose on the borrower's property if the borrower failed to repay money owed to the lender. A foreclosure was a judicial proceeding by which a mortgaged property was sold to satisfy the unpaid debt secured by the property.
5. After entering into a security agreement with a borrower, lenders typically recorded their mortgages with the clerk of the county in which the mortgaged property was located. This publicly recorded lien disclosed a lender's right to foreclose on the property under the circumstances set forth in the security agreement.
6. A mortgage that was recorded before another mortgage had priority over, and was "senior" to, subsequently recorded or "junior" mortgages. A junior mortgage could foreclose on a property but generally had to pay any senior mortgages before it could recover money from the sale of the foreclosed property. If the value of the property was less than the value of the senior mortgagee's interests, the junior mortgagee would be unable to recoup money from the foreclosure because all proceeds from the sale would be

used to satisfy the senior mortgagee's interests.

**THE CONSPIRACY**

7. From in or about April 2007 through in or about May 2010, in Willingboro, in the District of New Jersey, and elsewhere, defendant

WILLIAM BARKSDALE,

did knowingly and intentionally conspire and agree with D.C., S.D., A.M., M.M., S.O., and others to devise a scheme and artifice to defraud, and to obtain money and property by means of materially false and fraudulent pretenses, representations and promises, which scheme and artifice is in substance set forth below, and for the purpose of executing such scheme and artifice, to transmit and cause to be transmitted by means of wire communications in interstate commerce certain writings, signs, signals, pictures, and sounds, contrary to Title 18, United States Code, Section 1343.

**OBJECT OF THE CONSPIRACY**

8. The object of the conspiracy was to fraudulently obtain millions of dollars in HELOCs by making misrepresentations and pledging the same properties as security for multiple lines of credit in order to induce lenders to grant credit they would not otherwise have granted, and in amounts they would not have offered, thereby depriving lenders of security for the credit they had extended as part of the relevant agreements.

**MANNER AND MEANS OF THE CONSPIRACY**

9. It was part of the conspiracy that Barksdale advised the co-conspirators to apply for multiple HELOCs on properties they owned within a short period of time.
10. It was further part of the conspiracy that the co-conspirators misrepresented to lenders

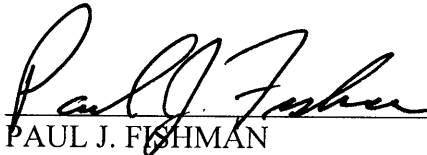
that the properties offered as security for the HELOCs were subject only to mortgages that were publicly recorded or disclosed to the lenders. In fact, at the time the co-conspirators closed on the HELOCs, many of the collateral properties were subject to undisclosed mortgages that had not yet been recorded..

11. It was further part of the conspiracy that, by applying for and closing on multiple HELOCs within a short period of time, Barksdale and the co-conspirators ensured that banks would be unaware of liens that were not yet recorded. The co-conspirators thus were able to pledge the same property as security for multiple lines of credit even though the amount of the equity in the properties was far less than the amount of the credit that the equity was meant to secure.
12. It was further part of the conspiracy that Barksdale and the co-conspirators obtained HELOCs from several financial institutions whose deposits are insured by the Federal Deposit Insurance Corporation.
13. It was further part of the conspiracy that Barksdale and his co-conspirators caused interstate wire transfers of funds and interstate wire communications in furtherance of the conspiracy.
14. It was further part of the conspiracy that Barksdale advised M.M. to apply for seven HELOCs on a single property owned by M.M. at 1219 Liberte Court, Pemberton, New Jersey. As a result, seven different lenders, each unaware of the others, issued HELOCs on the property owned by M.M. between April 5, 2007 and May 4, 2007. Most of the money from the seven HELOCs was deposited into a bank account controlled by Barksdale, and Barksdale caused the wire transfer of funds from that account to a title

company in Florida. Although Barksdale and M.M. made some payments on the seven HELOCs, the HELOCs ultimately went into default.

15. It was further part of the conspiracy that Barksdale advised and assisted the other co-conspirators in obtaining multiple HELOCs using the same pattern followed by Barksdale and M.M.: They applied for and obtained multiple HELOCs on a single property within a short period of time, paid a portion of the proceeds to Barskdale, and allowed the HELOCs to go into default.

All in violation of Title 18, United States Code, Section 1349.

  
PAUL J. FISHMAN  
United States Attorney

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18 U.S.C. Section 1349

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